



# Increasing New Mexico Tobacco Taxes

New Revenues, Public Health Benefits & Cost Savings

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## Decreasing the Burden of Tobacco Use in NM

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Where does NM stand with the “trifecta” of preventing tobacco use?

- ✓ Statewide Smokefree Law
- ✗ Invest in tobacco use prevention & cessation programs at CDC-recommended level of \$22.8 million
- ✗ Significant and equivalent tax rates for all tobacco products

# Advantages of Increasing User Fees on Tobacco

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- New Revenue
- Public Health Benefits
- Cost Savings

# Increase Tobacco Taxes & Generate Revenue

- A \$1 increase in NM cigarette tax will generate **\$27.24 million in new revenue per year**
- An equivalent tax on non-cigarette tobacco products will generate **\$8.7 million in new revenue per year**
- Total new revenue: **\$35.94 million per year**



The projections are based on economic modeling by Frank Chaloupka, Ph.D., and John Tauras, Ph.D., at the Institute for Health Research and Policy at the University of Illinois at Chicago and are updated annually and were generated using an economic model developed jointly by the Campaign for Tobacco-Free Kids (TFK) and the American Cancer Society Cancer Action Network (ACS CAN).

# Increase All Tobacco Taxes to Maximize Benefits Gained

All tobacco products should be taxed equivalently to:

- Protect revenue
- Protect kids & gain additional public health benefits
- Gain additional cost savings



## Increase All Tobacco Taxes to Maximize Benefits Gained

All tobacco products, including e-cigarettes, should be taxed equivalently to protect kids



- High prices help keep young people from ever starting to use tobacco
  - Cigars, chew, dip, & e-cigarettes all come in candy & fruit flavors that appeal to kids
  - Tobacco tax rates should be significant and equal to help ensure kids do not begin a deadly, lifelong addiction

# Increase All Tobacco Taxes to Maximize Benefits Gained

All tobacco products should be taxed equivalently help current users quit

- Significant and equal tax rates will encourage adults to quit rather than just switch to a cheaper product



## Cigarette Smoking Costs New Mexico Millions

### Cigarette smoking costs New Mexico millions of dollars per year

- Cigarette smoking costs New Mexico \$844 million in direct health care costs and \$597 million in lost productivity costs annually.
- \$6.17—average retail price of a cigarette pack in NM
- \$16.95—cost to the state in smoking-related medical and lost productivity expenses from each taxed pack sold

Source: Campaign for Tobacco Free Kids: <http://www.tobaccofreekids.org/research/factsheets/pdf/0099.pdf>



## Increase the Cigarette Tax & Save New Mexico Millions

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\$1 increase in NM cigarette tax will save money:

- \$1.59 million saved—health care cost savings in 5 years from fewer smoking-caused lung cancer cases
- \$2.58 million saved—health care cost savings in 5 years from fewer smoking-affected pregnancies & births
- \$3.49 million saved—health care cost savings in 5 years fewer smoking-caused heart attacks & strokes

## Increase the Cigarette Tax & Save New Mexico Millions, part 2

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**\$1 increase in NM cigarette tax will save money:**

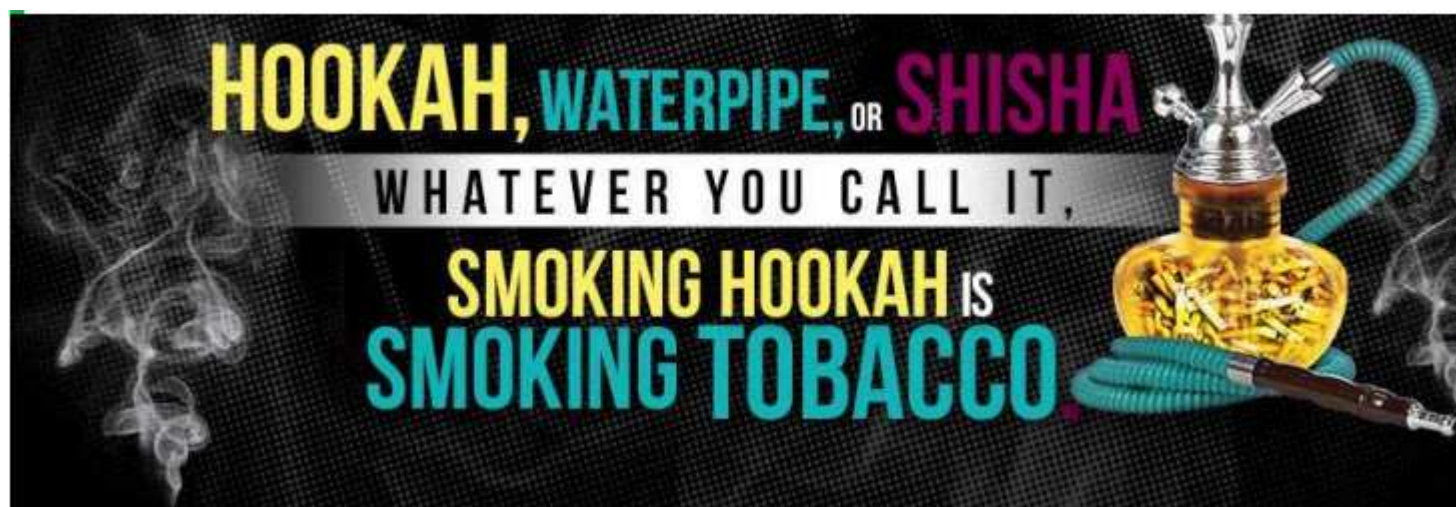
- \$4.86 million saved—Medicaid program savings for the state over 5 years
- \$361.22 Billion saved—Long-term health care cost savings from adult & youth smoking declines.

The projections on slides 8 & 9 are based on economic modeling by Frank Chaloupka, Ph.D., and John Tauras, Ph.D., at the Institute for Health Research and Policy at the University of Illinois at Chicago and are updated annually and were generated using an economic model developed jointly by the Campaign for Tobacco-Free Kids (TFK) and the American Cancer Society Cancer Action Network (ACS CAN).

# NM Youth Using Cigars, Chew, Hookah and e-cigarettes

## 2005-2013 in New Mexico

- Cigarette smoking declined among NM youth
- Use of spit and dip has stayed level



Source: New Mexico Department of Health


# NM Youth Using Cigars, Chew, Hookah and e-cigarettes

## 2005-2013 in New Mexico

- Cigar & hookah use have increased
- e-cigarette use has likely increased, based on national trends.

## US Trends:

### TOBACCO USE TRENDS—HIGH SCHOOL STUDENTS

From 2011 to 2014, **e-cigarette** use  
among high school students **increased** nearly **800%** and  
 **hookah** use more than **doubled**.

Source: New Mexico Department of Health, US Food and Drug Administration

# Tobacco Use is Deadly

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Tobacco use is still the #1 preventable cause of death in the US

- Cigars & smokeless tobacco cause many cancers and other health harms
- Smoking kills about 2,600 New Mexicans per year
- Another 42,000 New Mexicans suffer with at least one serious illness from smoking

# Tobacco Taxes Save Lives

A \$1 increase in the NM cigarette tax will result in:

- 11.1% decrease in youth smoking
- 8,800 youth under age 18 kept from becoming adult smokers



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# Tobacco Taxes Save Lives

A \$1 increase in the NM cigarette tax will result in:

- 9,800 adult smokers who will quit



- 1,100 fewer smoking-affected pregnancies and births over five years

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## Tobacco Taxes Save Lives

Significant and equivalent excise tax rates for all tobacco products will help ensure kids won't begin a deadly, lifelong addiction with whichever tobacco product is the cheapest







Thank you

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